

# Online Marketing

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There is little doubt that marketers love kids. With a collective spending power of over three billion dollars, and the potential to influence billions more in family spending,<sup>[1]</sup> marketers are keen to establish brand recognition and brand loyalty with children at increasingly younger ages.

Young children are vulnerable to marketing messages as research has shown that children under age six simply don't understand the idea of advertising, and by the time they have developed the capability to recognize marketing messages they will already be accustomed to a world made up of mascots and logos.

Like all advertisers, marketers need to go to where their audience is and to this end the Internet has been a godsend because it brings their audience to them.

## Fun and Games in a Digital World

For young people the Internet is an overwhelmingly commercial environment. Exposure to this online world begins at an early age – as young as age two in some cases – and children are quickly immersed in a constant bath of commercials and branded images: 95 per cent of young people's favourite websites contain commercial content.<sup>[2]</sup>

The Internet is an especially desirable medium for marketers who want to target children. This is because:

- It's part of youth culture. This generation of young people is growing up with the Internet as a daily and routine part of their lives.
- Parents generally do not understand the extent to which kids are being marketed to online.
- Kids are often online alone, without parental supervision.
- Unlike broadcasting media, which have codes regarding advertising to kids, the Internet is unregulated.
- Sophisticated technologies make it easy to collect information from young people for marketing research, and to target individual children with personalized advertising.
- By creating engaging, interactive environments based on products and brand names, companies can easily build brand loyalties from an early age.

The main ways that companies market to young people online include:

1. Relationship-building through ads that attempt to connect with consumers by building personal relationships between them and the brand.
2. Viral ads that are designed to be passed along to friends.
3. Behavioural targeting, where ads are sent to individuals based on personal information that has been posted or collected.

## **1. Relationship Building**

Online games that are built around brands, products or brand-related characters – commonly known as advergames – are the perfect vehicle for building relationships between children and brands. Generally, young people don't identify advergames as online commercials: most think they are "just games". Fun, fast-paced and interactive, it is easy to see the huge advantage advergames have over ordinary advertisements. These immersive ads provide advertisers with what they call "sticky traffic": users staying involved for extended periods of time. It's difficult to imagine anyone staring at a magazine or banner ad for three to eight minutes, but kids will happily play brand-focused games for long periods of time.

Social networking sites like Facebook help marketers humanize their brands and mascots and engage people in their advertising campaigns through branded profile pages. These pages, which mimic real profiles, let marketers connect with consumers and form personal relationships as "friends". Does it work?: as of May 2012, Barbie's profile page had 4,477,345 'likes' and "Captain Morgan" – of Captain Morgan rum – had 1,063,521 'likes'.

Highly social virtual worlds also provide tremendous marketing opportunities. Popular destinations for younger kids include Webkinz, Club Penguin, and Stardoll. For teens, it's all about socializing and experimenting with identity in places such as Habbo Hotel, Second Life and There.com. In these immersive environments, marketers blend socializing with selling by: embedding their brands into the electronic landscape or chat features; offering virtual merchandise; or sponsoring virtual events. In effect, the brand becomes part of the role-playing that users engage in. For example, at Stardoll, girls use "stardollars" to dress up their MeDoll or celebrity doll in virtual fashions, make-up and accessories that include real-world brands. When girls first join, they are given 25 stardollars to get them started. But if they want more clothes or decorations for their virtual suites, additional stardollars must be purchased with real cash.

Like social networks, the companies behind virtual worlds actively court advertisers. In its promotional materials, Habbo Hotel describes itself as an online environment that provides companies and brands “with a completely new and exciting way of building their brand value among teenagers.”

There’s no doubt that these advertising strategies are effective at building relationships: as of 2010 Stardoll boasted 70 million members worldwide, while in 2011 Habbo Hotel touted 200 million registrations. They’re also incredibly lucrative: in 2007 Club Penguin was bought by Disney for \$350 million.

## 2. Viral Ads

In the words of Mark Zuckerberg, “A trusted referral is the Holy Grail of advertising” and marketers have been quick to capitalize on the capacity of the Internet – and social networking sites – for viral marketing, which has been described as “word of mouth on steroids”.



**what should you splurge on at the makeup counter?**

Find out if it's for your eyes, lips, or face!

By Michaela Lynch

Like (27) Tweet (17) email link

Page 1 of 5 Results

**You Should Buy Mineral Foundation!**

You enjoy wearing makeup, but you're never seen with too much on. If smoky eyes and lip gloss are too much for you, focus on your complexion, making sure it's flawless! Next time you're at the makeup counter, try splurging on mineral foundation, which will give you a natural glow thanks to pure crushed minerals that smooth and enhance your skin tone. Brands like Bare Minerals and Physicians Formula make amazing products!

Share with your friends

email share this link save your results

Take the quiz again | See your saved quizzes

On the Internet, it’s easy to pass along information to friends and young people are actively encouraged to do this. For example, when girls complete the “*What should you splurge on at the makeup counter?*” quiz on the seventeen.com website, they’re encouraged to share the survey with friends through social networking – as well as buy specific brands of makeup.

The engines that drive viral marketing are social networking platforms. For example, on its page for potential advertisers, Facebook touts the advantage that its unique environment provides to companies to reach their “exact audience” and connect with “real customers” through targeted ads, integrated content, social actions and connecting with friends of their “friends”.



Whether it's sharing the latest viral video on YouTube or passing around the latest cool app or game, marketers are counting on friends influencing friends to buy and/or use their products. They are also very good at pairing their products with specific individuals – and by association their friends – on social networking sites through ad placement on home screens, newsfeeds and logout pages.

### 3. Behavioural Targeting

Behavioral targeting is the practice where marketers build profiles of individual users by tracking their behaviours online and then combining that data with information from a variety of other sources such as IP addresses, search histories, and online registration forms, in order to deliver tailored advertisements to those users.

Younger children and youth, who may lack the ability to recognize when they are being targeted in this manner, are particularly vulnerable. On the Internet, kids will happily volunteer information that marketers once had to pay for. For example, on the Neopets website – which is considered one of the fastest growing youth communities in the world (approximately 40 per cent of members are under 13 years old)<sup>[3]</sup> and one of the top ten 'stickiest' sites on the Web – young people spend hours completing quizzes, filling out market surveys, and doing activities to

earn Neopoints to buy things for their pets. In addition, as young players interact with various branded features of the website, Neopets is taking note:

*The company owns a huge set of research data on children 12 and under, a difficult demographic to get because marketers must comply with the Children's Online Privacy Protection Act (COPPA) and obtain parental permission. Neopets claims more than 50,000 kids in their marketing database. Neopets sells market research (not personal data) to other companies, trading on Neopets' "unparalleled access to young people," as the company press kit phrases it.* <sup>[4]</sup>

Social networking platforms, where youth post detailed personal information, are also a boon for this sort of marketing. Many young people don't realize that when they add a corporate page as a friend, or add an advergame to their profile, they are allowing companies complete access to their personal information.

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[1] Alberta Teachers' Federation. "Beyond the Bake Sale: Exposing Schoolhouse Commercialism." *ATA Magazine*: Volume 87 2006-7, Number 2.

[2] Media Awareness Network (2005). *Young Canadians in a Wired World: Phase II Student Survey*. <http://www.mediasmarts.ca/sites/default/files/pdfs/publication-report/full/YCWWII-student-survey.pdf>

[3] Google AdSense Case Study. [https://www.google.com/adsense/static/en\\_US/NeoPets.html](https://www.google.com/adsense/static/en_US/NeoPets.html)

[4] Grabianowski, E. *How NeoPets.com Works*.  
<http://electronics.howstuffworks.com/neopet3.htm>